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February 15, 2007

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PUBLIC SERVICE
COMMISSION

Honorable Elizabeth O'Donnell
Executive Director
211 Sower Boulevard
Frankfort, KY 40602-0615

Re: Atmos Energy Corporation
Case No. 2002-00128

Dear Ms. O'Donnell:

Pursuant to the Order of the Commonwealth of Kentucky dated May 20, 2002 in the above referenced docket, enclosed is the report of action for Atmos Energy Corporation for the period October 1, 2006 through December 31, 2006.

If you have any questions or require further information, please do not hesitate to contact me at (972) 855-9755. Thank you for your assistance.

Sincerely,


Stephanie Castle
Assistant Treasurer

Enclosures

cc: Gary Smith

**COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION**

Application of Atmos Energy Corporation (Atmos), through its division, Western Kentucky Gas Company of Owensboro, Kentucky, for an order authorizing the creation and issuance of up to 2,500,000 shares of common stock through its 1998 Long-Term Incentive Plan

Case No. 2002-00128

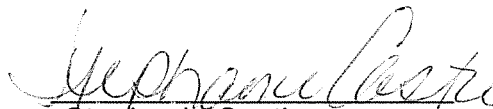
**REPORT OF ACTION
Prepared February 15, 2007**

Reference is made to the order entered into on May 20, 2002 that Atmos Energy Corporation ("Atmos"), through its division, Western Kentucky Gas Company ("Western") reports that the Company is authorized to create and issue up to 2,500,000 shares of common stock through its 1998 Long-Term Incentive Plan.

Atmos hereby reports

For the period October 1, 2006 through December 31, 2006, Atmos reports that there were no shares exercised under the 1998 Long-Term Incentive Plan with no increase in capital stock. The aggregate number of shares authorized but not issued under Docket 2002-00128 remained at 1,330,940 as of December 31, 2006.

Atmos Energy Corporation

A handwritten signature in cursive script, appearing to read 'Stephanie Castle', is written over a horizontal line.

Stephanie Castle
Assistant Treasurer